

DATE: June 14, 2007

TO: CVRC Board of Directors
Redevelopment Agency Board of Directors

VIA: Jim Thomson, Interim City Manager *JT*

FROM: Ann Hix, Acting Community Development Director *AH*
Eric Crockett, Redevelopment Manager *EC*

SUBJECT: Proposed FY 2007-08 Redevelopment Agency Operating and Capital Improvement Budget

BACKGROUND:

On June 19, 2007, the Office of Budget & Analysis and Finance Department will be presenting a comprehensive budget package to the City Council and Redevelopment Agency for Fiscal Year 2007-08. This report provides a summary of the key elements of the budget package that affect the operations of the CVRC and Redevelopment Agency, including two important proposed changes to the Redevelopment Agency budget structure:

1. Move staffing costs for Redevelopment and Housing from the budget of the Community Development Department, which resides in the General Fund, to the Redevelopment Agency budget.
2. Move expenditures for debt service payments for Agency-issued bonds from the City's General Fund budget to the Redevelopment Agency budget.

These proposed changes, and others contained in the FY 2007-08 budget package, are the direct result of many months of collaborative efforts by the Departments of Community Development, Finance, and Office of Budget & Analysis. The changes allow all redevelopment and housing activities to be placed under one budget, which can be more effectively managed by Redevelopment and Housing staff and will be more transparent to the public and decision makers. These efforts and the proposed changes are consistent with several findings and recommendations made in the recent *Chula Vista Independent*

Financial Review prepared and presented by Economic & Planning Systems (EPS) to the City Council and Redevelopment Agency, including a finding and recommendation that "... the Redevelopment Agency should be maintained as a separate budget unit."

The remainder of this report provides a summary description and explanation of the proposed FY 2007-08 Agency budget, which is included as Attachment "A" to this report.

RECOMMENDATION:

Staff recommends that:

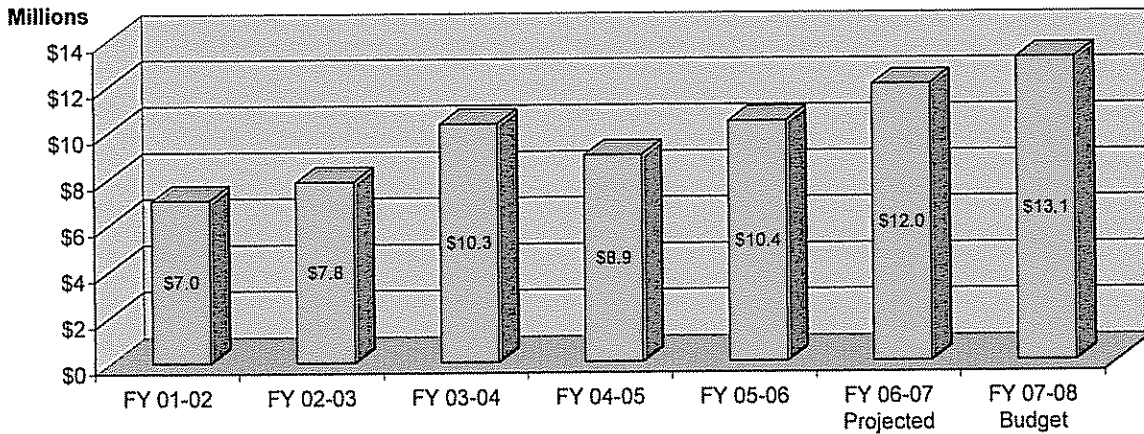
1. The Chula Vista Redevelopment Corporation adopt the resolution recommending that the Chula Vista Redevelopment Agency adopt the proposed operating and capital improvement budget for the Redevelopment Agency and Housing Authority for Fiscal Year 2007-08 budget.
2. The Chula Vista Redevelopment Corporation adopt the resolution recommending that the Chula Vista Redevelopment Agency create a new Capital Improvement Project in the Merged Project Fund called "Southwest Planning and Civic Engagement Activities" and appropriate \$312,000 from the available fund balance of the Merged Project Fund.
3. The Chula Vista Redevelopment Agency adopt the resolution appropriating \$312,000, amending the FY 2006-07 budget and create a new Capital Improvement Project in the Merged Project Fund called "Southwest Planning and Civic Engagement Activities" from the available fund balance of the Merged Project Fund.

DISCUSSION:

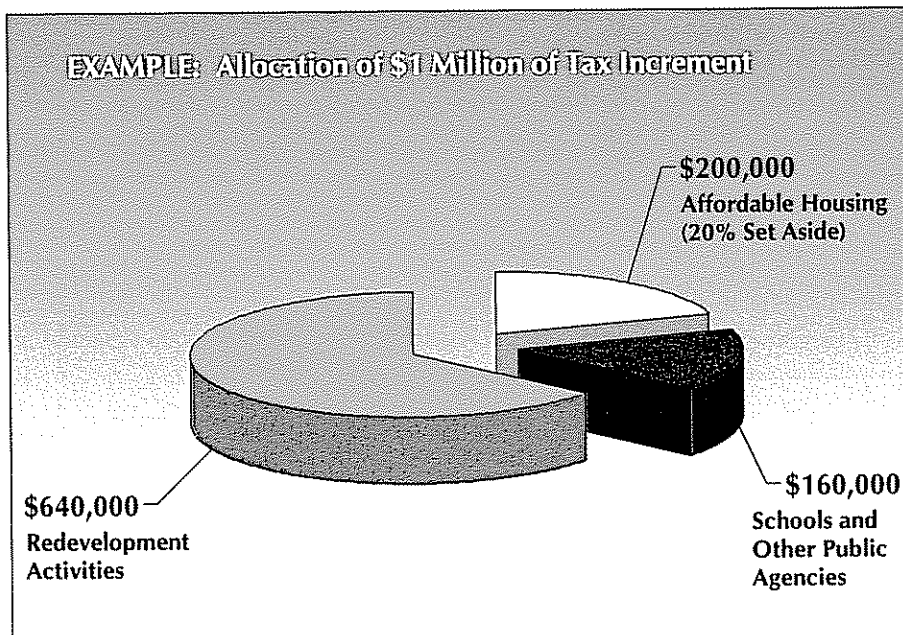
Redevelopment Agency Revenues

In accordance with California Redevelopment Law, a Redevelopment Agency obtains funding for its redevelopment projects through a property tax apportionment method called "tax increment financing." Tax increment is available for re-investment in the project area and may be used to pay off any debt created in implementing the Redevelopment Plan. Tax increment does not create new taxes; it simply redistributes the growth in the annual tax base within the project area.

For FY 2007-08 the Agency estimates it will receive **\$13.1 million** in gross tax increment revenue.



All tax increment monies generated are allocated among three basic public uses: (1) Affordable Housing, (2) Schools and Other Public Agencies, and (3) Redevelopment Activities (debt, administration, development agreements and capital improvement projects.)



In addition to tax increment revenues, the budget includes investment earnings (\$300,000), funds from the 2000 tax allocation bond proceeds (\$3.5 million), a loan repayment from the Merged Project Area to the Bayfront/Town Center I Project Area (\$900,000), staff time reimbursement for administering the City's CDBG and Home grants and a fee for the monitoring of affordable housing bonds issued by the City's Housing Authority (\$700,000). Therefore, total Agency budgeted revenue for fiscal year 2007-08 is **\$18.5 million**.

Housing Funds

California Redevelopment Law requires a Redevelopment Agency to set aside a minimum of 20 percent of all gross tax increment revenues generated within its Project Areas to a separate fund which is to be used exclusively for the preservation, improvement and expansion of the low and moderate income housing supply within the community. In FY 2007-08, the Agency projects the set aside amount to be approximately **\$2.3 million**. These funds will be used to implement and administer housing programs and projects.

During the Five Year Implementation Plan period, the Agency will concentrate on housing activities that are most applicable to the Agency's goals and objectives. In developing its affordable housing program, the Agency has been guided by the goals and objectives of the City's Housing Element and Implementation Plan. The Agency will utilize Low and Moderate Income Funds to support and advance the overall housing program.

Other Expenses

Other expenses, as represented in the redevelopment and housing portions of the budget, include all pass-through payments to taxing agencies, development agreement obligations and city staff services totaling approximately **\$6.1 million** for FY 2007-08.

Schools and Other Public Agencies or Pass Through Payments

Pass through payments are required by state law to be made to taxing entities to ensure they are not negatively affected by a redevelopment plan. The taxing entities which receive payments are the Sweetwater Union High School District (\$426,375), the County Office of Education (\$57,585), the Chula Vista Elementary School District (\$623,305), Southwestern Community College (\$109,718) and the County of San Diego (\$1,021,613), totaling an estimated **\$2.5 million** in pass through payments for FY 2007-08.

Development Agreements

In addition to pass through payments, the agency has budgeted about **\$1.3 million** for obligations outlined in agreements entered into in 1999 with the Goodrich Aero

Structures Group (Relocation Agreement) and in 2000 with Gateway Chula Vista LLC (Disposition and Development Agreement).

City Staff Services

The City staff services category represents city-wide overhead and additional costs for other city department staff services other than Redevelopment and Housing such as Community Development administration, City Attorney, City Clerk, Human Resources, Planning, Engineering and Information Technology. The total estimated cost for these city staff services in FY 2007-08 is approximately **\$2.4 million**.

Agency Personnel

The fiscal year 2007-08 budget moves redevelopment and housing positions from the General Fund to the Agency budget. Budgeting these eleven (11) staff positions directly in the Agency budget allows staff to be directly charged to the funding source. Direct charges from other departments and a citywide overhead rate continue to be applied, but are reflected as a separate line item in the Agency budget (City Staff Service, as described above). Although there are no overall reductions in costs to the Agency, these changes provide for a more transparent budget and makes it clear to the public and decision makers how redevelopment and housing dollars are being spent. Thus the budget now depicts a total personnel cost for fiscal year 2007-08 of **\$1.5 million**, instead of the \$4 million shown in the FY 2005-06 and 2006-07 budgets.

Services and Supplies

To support the redevelopment and housing work programs, costs for services and supplies are estimated for FY 2007-08 at **\$750,000 dollars**.

Capital Improvement Projects

The Agency is allocating approximately **\$2.0 million** of the 2000 tax allocation bond proceeds to various capital improvement projects (CIPs), including the Palomar Street improvement project (\$500,000), the Auto Park directional sign (\$1.2 million), and the repayment of debt to the City for use on the Otay Recreation Center (\$300,000).

Debt

Usually, the flow of tax increment to the Agency is not sufficient to finance the full scope of redevelopment activities. Therefore, agencies issue bonds to capitalize the tax increment. The bonds work like loans that the Agency is responsible for repaying over many years. These bonds are not a debt of the City or County and are repaid solely from tax increment revenues. The Redevelopment Agency currently has about \$42 million in outstanding bonds.

For the first time, the agency will make its annual debt service payments toward a 1993 Refunding Certificate of Participation (COPS). Historically the COPS were paid by the General Fund and recorded as a loan, with interest, to the Agency. The Agency will also realize savings from the July 2006 refunding of the 1994 Tax Allocation Bonds. The total cost for debt service in FY 2007-08 will be approximately **\$4.4 million**.

Proposed FY 2006-07 Appropriation For Capital Improvement Project

Staff is proposing that the Agency create a new Capital Improvement Project (CIP) for "Southwest Planning and Civic Engagement Activities" and appropriate \$312,000 from the available fund balance of the Merged Project Fund for a new CIP that will amend the FY 2006-07 budget. The funding will come from the salary savings from the CVRC's unfilled CEO position. The CIP would be consistent with the Agency's recently approved (May 24, 2007) FY 2007-08 Annual Work Plan and would facilitate: (1) Southwest Community Strengthening Strategies, per the "white paper" report presented to the CVRC and Agency on May 24, 2007; and (2) Southwest Specific Planning, subject to initiation by Council action.

Conclusion

The proposed Redevelopment Agency budget is necessary to fulfill the work program approved by the CVRC and Redevelopment Agency on May 24, 2007. While this budget is sufficient to carry out the approved work program, there are limited resources available for proactive redevelopment activities, such as land acquisition or public improvement projects. EPS also recognized these limitations as a finding in their draft *Chula Vista Independent Financial Review* report: "...virtually no tax increment funding remains for project-related investments. The future ability of the Redevelopment Agency to make substantial investments will depend upon increases in the assessed value within the Redevelopment Project Areas."

Staff believes that with the approval of the Urban Core Specific Area Plan in April 2007, the Bay Front Master Plan in 2008 and implementation of the Redevelopment and Housing work programs, the Agency can expect to attract capital investments that will begin to result in an increase in the assessed valuation of the Redevelopment Project Areas within the next three years.

Attachments:

A. Proposed 2007-08 Redevelopment Agency Budget

P R O P O S E D B U D G E T

**REDEVELOPMENT AGENCY
FUNDS**

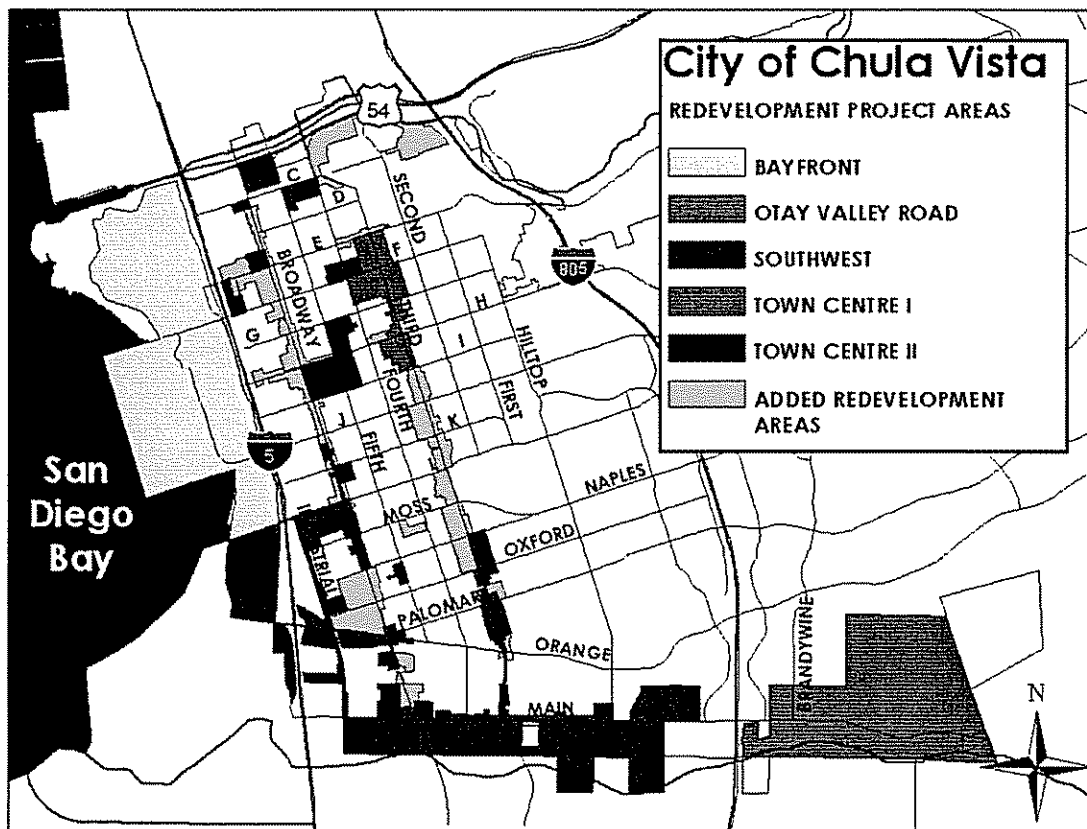
Redevelopment Agency Funds

Redevelopment Agency Expenditure Summary

Redevelopment Agency Revenue Summary

REDEVELOPMENT AGENCY FUNDS

The Agency was formed in 1972 and became fully functional in 1975. The goals of the Redevelopment Agency are to reduce blight and to encourage new development, reconstruction, and rehabilitation of residential, commercial, industrial, and retail uses. As seen in the map below the Agency has five distinct project areas that have been combined into two for purposes of debt issuance. These two areas are the Bayfront/Town Center I and the Merged Project Area (Otay Valley, Southwest and Town Center II).



REDEVELOPMENT AGENCY FUNDS

The Agency budget is organized into three distinct groupings of funds. The groupings are Redevelopment Agency Project Area Funds, Tax Agreement and Debt Service Funds, and Housing Funds.

The Project Area Funds are the primary operating funds for the Redevelopment Agency. The Tax Agreement and Debt Service funds are used to pay for Agency debt service on its outstanding Tax Allocation Bonds, Certificates of Participation and the Advances and other debt of the Agency. Also included in this group are funds to make payments for the negotiated tax agreements with the County of San Diego, County Office of Education, Sweetwater Unified High School District, Chula Vista Elementary School District and Southwestern Community College District.

The Housing Funds are comprised of the Chula Vista Housing Authority, RDA Housing Fund and Low and Moderate Housing Fund. The Chula Vista Housing Authority accounts for all housing related activities not considered eligible for reimbursement by the Low and Moderate Income Housing Fund. The RDA Housing Program Fund accounts for the City's Community Housing Improvement Program that loans money to low-income families for housing rehabilitation. The Low and Moderate Income Housing Fund accounts for the statutorily required 20% set-aside of tax increment revenue earned by the Agency for development of affordable housing.

There were two notable changes to this year's Agency budget. The first is the direct budgeting of personnel costs for Redevelopment and Housing staff within their respective funding sources. All personnel costs for staff involved with redevelopment activities were removed from the General Fund and budgeted within the Merged Project Fund. Likewise, all personnel costs for staff involved with housing activities were removed from the General Fund and budgeted within the Chula Vista Housing Authority Fund.

The other notable change involves the payment of debt service on the 1993 Refunding Certificate of Participation for a parking garage. The debt was originally issued by the Agency and the General Fund has been paying the debt service and recording the payment as a loan to the Agency. The Agency will begin making the debt service payment in the fiscal year 2007-08 budget.

REDEVELOPMENT AGENCY EXPENDITURE SUMMARY

The fiscal year 2007-08 Redevelopment Agency budget is \$19.4 million and includes:

- \$5.0 million for operating expenditures,
- \$4.1 million for loan repayments,
- \$4.4 million for debt service on the Agency Tax Allocation Bonds (\$3.1), Certificates of Participation (\$1.1) and ERAF Loans (\$0.2),
- \$2.4 million for pass through payments to other taxing jurisdictions,
- \$2.0 million for Capital Projects,
- \$0.9 million payment to the Gateway Project
- \$0.4 million relocation payment to Goodrich
- \$0.2 million for Rehabilitation Loans

The table below shows that expenditures in fiscal year 2006-07 increased to \$70.9 million. This increase is explained primarily by the refunding of the 1994 Tax Allocation Bonds, Series A, B, C and D. In addition, a loan repayment of \$6.0 million was budgeted in the Debt Service group of funds. Adjusting for these two items, the FY 2006-07 expenditures are \$23.6 million, which is more in line with expenditures of prior years.

REDEVELOPMENT AGENCY EXPENDITURE SUMMARY

Redevelopment Agency Expenditure Summary

Funds	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Amended	FY 2007-08 Proposed	\$ Change
Bayfront/TC I	\$ 5,970,326	\$ 9,743,372	\$ 6,450,918	\$ 2,934,507	\$ (3,516,411)
Merged Project Area	\$ 4,552,981	\$ 4,201,401	\$ 8,228,783	\$ 7,471,848	\$ (756,935)
Southwest Tax Agreements	\$ 861,634	\$ 1,104,957	\$ 1,018,347	\$ 1,219,799	\$ 201,452
Debt Service	\$ 7,107,230	\$ 6,626,035	\$11,987,140	\$ 5,589,485	\$ (6,397,655)
Housing Funds	\$ 708,883	\$ 1,226,785	\$ 1,903,090	\$ 2,197,473	\$ 294,383
Subtotal	\$19,201,054	\$22,902,550	\$29,588,278	\$19,413,112	\$(10,175,166)
2006 TAB Refunding	\$ -	\$ -	\$41,282,599	\$ -	\$(41,282,599)
Totals	\$19,201,054	\$22,902,550	\$70,870,877	\$19,413,112	\$(51,457,765)

REDEVELOPMENT AGENCY REVENUE SUMMARY

The Agency's budgeted revenue for fiscal year 2007-08 is \$18.5 million, which is a decrease of \$1.3 million over the fiscal year 2006-07 budget. The decrease is related to a reduction in budgeted transfers-in for loan repayments. The budget includes: \$13.1 million in tax increment revenues, \$0.3 million of investment earnings and a transfer in from bond proceeds of \$3.5 million related to the 2000 tax allocation bonds which will be used to fund various capital improvement projects and payments to the Gateway Project. In addition, a loan repayment of \$0.9 million from the Merged Project Area to the Bayfront/Town Centre I Project Area is required to fund the Gateway Payment. The Housing Funds will receive \$0.7 million in staff time reimbursements for administering the City's CDBG and HOME grants and for monitoring of bond covenants for affordable housing bonds issued by the City's Housing Authority.

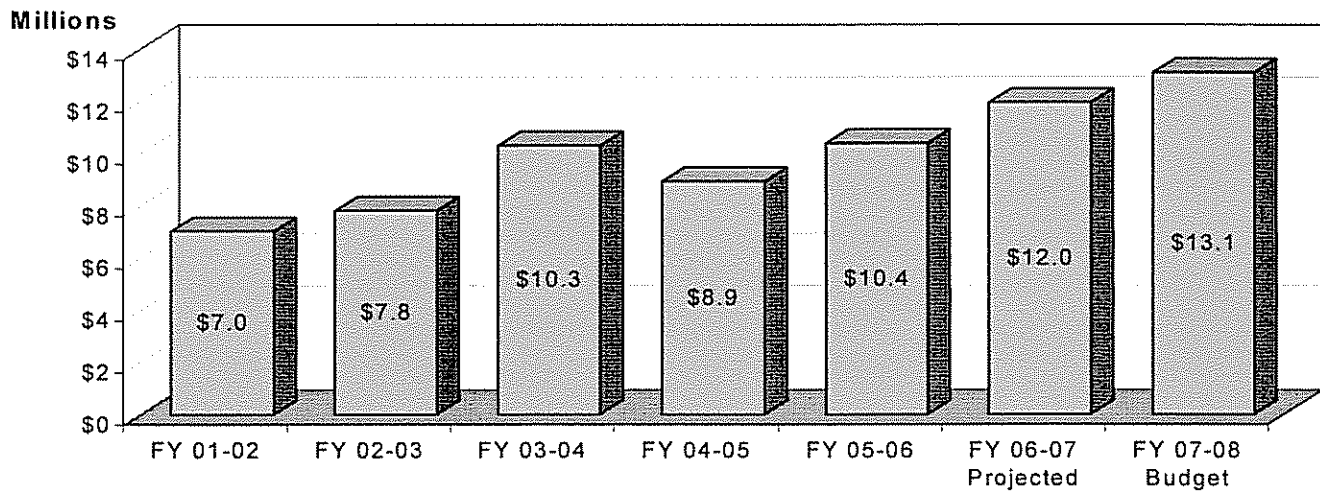
Redevelopment Agency Revenue Summary

Fund	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Projected	FY 2007-08 Proposed	\$ Change
Bayfront/TC I	\$ 4,375,474	\$ 2,583,219	\$ 4,823,684	\$ 3,066,088	\$ (1,757,596)
Merged Project Area	\$ 2,456,189	\$ 3,391,035	\$ 3,257,771	\$ 6,633,836	\$ 3,376,065
Southwest Tax Agreements	\$ 860,569	\$ 1,006,841	\$ 1,018,347	\$ 1,219,799	\$ 201,452
Debt Service	\$ 6,470,915	\$ 4,875,739	\$ 7,433,492	\$ 4,184,485	\$ (3,249,007)
Housing Funds	\$ 2,009,486	\$ 2,212,009	\$ 2,057,454	\$ 3,395,684	\$ 1,338,230
Subtotal	\$16,172,633	\$14,068,843	\$18,590,748	\$18,499,892	\$ (90,856)
2006 TAB Refunding	\$ -	\$ -	\$40,984,113	\$ -	\$ (40,984,113)
Totals	\$16,172,633	\$14,068,843	\$59,574,861	\$18,499,892	\$ (41,074,969)

The Agency receives tax increment revenues resulting from increases in the assessed valuation within the redevelopment project areas over the base year assessed valuation. Tax increment

revenues (prior to pass throughs) for fiscal year 2007-08 are budgeted at \$13.1 million, an increase of \$2.4 million from fiscal year 2006-07.

Tax Increment Revenue



Note 1: Tax Increment Revenue are reflected prior to pass throughs to other agencies.

Note 2: Fiscal year 2003-04 tax increment contained a one-time adjustment of Unitary Tax revenue of \$1.3 million related to the South Bay power plant.

CHULA VISTA REDEVELOPMENT CORPORATION (CVRC)

The Chula Vista Redevelopment Corporation (CVRC) is a 501c3 nonprofit organization formed by the City of Chula Vista to support the planning and redevelopment activities of the City Council and Redevelopment Agency. The CVRC Board of Directors provides focus through its unique and independent forum. It makes final decisions and advisory recommendations to City Council and the Redevelopment Agency on redevelopment-related projects, plans, policies and agreements. In fiscal year 2006-07, the City Directors decided that they would no longer be members of the Board of Directors and are to be replaced by a yet to be decided number of new members.

REDEVELOPMENT AGENCY FUNDS

FUND DESCRIPTIONS

The Agency budget is organized into three distinct groupings of funds. The groupings are the Redevelopment Agency Project Area Funds, Housing Funds, and Tax Agreement and Debt Service Funds.

Fund 611 and 651 Redevelopment Project Area Funds

The Project Area Funds are the primary operating funds for the Redevelopment Agency. This fund accounts for revenue received from tax increment within the redevelopment project areas and is used to fund operating expenditures, debt service, and Agency capital projects.

Housing Funds

The Housing Funds are comprised of the Chula Vista Housing Authority, RDA Housing Fund and Low and Moderate Housing Fund.

Fund 313 Chula Vista Housing Authority

The Chula Vista Housing Authority accounts for all housing related activities not considered eligible for reimbursement by the Low and Moderate Income Housing Fund.

Fund 315 RDA Housing Program Fund

The RDA Housing Program Fund accounts for the City's Community Housing Improvement Program that loans money to low-income families for housing rehabilitation.

Fund 317 Low and Moderate Income Housing Fund

The Low and Moderate Income Housing Fund accounts for the statutorily required 20% set-aside of tax increment revenue earned by the Agency for development of affordable housing.

Tax Agreement and Debt Service Funds

The Tax Agreement and Debt Service funds are used to pay for Agency debt service on its outstanding Tax Allocation Bonds, Certificates of Participation and the Advances and other debt of the Agency. Also included in this group are funds to make payments for the negotiated tax agreements with the County of San Diego, County Office of Education, Sweetwater Unified High School District, Chula Vista Elementary School District and Southwestern Community College District.

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Fund 689 – RDA 2000 Tax Allocation Bonds

This is the Redevelopment Agency 2000 Tax Allocation Bonds (Merged Redevelopment Project) in the amount of \$17,000,000. The Merged Redevelopment Project was created on August 22, 2000, pursuant to an amendment to the redevelopment plans for the three of the Agency's four existing redevelopment projects, the Town Centre II Project Area, the Otay Valley Project Area and the Southwest Project Area. The Bonds were issued to provide funds for the repayment of certain obligations of the Merged Redevelopment Project and other interfund loans, and for general redevelopment purposes. The term of the Bonds is through the year 2030.

Fund 695 – 2006 Senior Tax Allocation Refunding Bonds, Series A

In July 2006, the Redevelopment Agency issued the 2006 Senior Tax Allocation Bonds, Series A in the amount of \$13,435,000 to refinance the Agency's outstanding Bayfront/Town Centre Redevelopment Project 1994 Senior Tax Allocation Refunding Bonds Series A (the "1994 A Bonds"). The original bonds were issued to finance improvements in the Bayfront/Town Centre Project Areas. The Annual Debt Service is paid from property tax increment generated in the project areas. The term of the bonds runs through 2027.

Fund 696 – 2006 Subordinate Tax Allocation Refunding Bonds, Series B

In July 2006, the Redevelopment Agency issued the 2006 Subordinate Tax Allocation Bonds, Series B in the amount of \$12,325,000 to refinance the Agency's outstanding Bayfront/Town Centre Redevelopment Project 1994 Senior Tax Allocation Refunding Bonds Series D (the "1994 D Bonds") and the 1994 Subordinate Tax Allocation Refunding Bonds, Series C (the "1994 C Bonds"). The original bonds were issued to finance improvements in the Bayfront/Town Centre Project Areas. The Annual Debt Service is paid from property tax increment generated in the project areas. The term of the bonds runs through 2021.

Fund 693 – 2005 Taxable Revenue Bonds Series A – CRA/ERAF Loan Program

In April 2005, the Agency entered into a Loan Agreement with the California Statewide Communities Development Authority to borrow the amount of \$765,000. This amount was used to pay the Agency's portion of the 2005 Educational Revenue Augmentation Fund (ERAF) to the County of San Diego pursuant to Section 33681.12 of the California Health and Safety Code.

REDEVELOPMENT AGENCY FUNDS

Fund 694 – 2006 Taxable Revenue Bonds Series A – CRA/ERAF Loan Program

In April 2006, the Agency entered into a Loan Agreement with the California Statewide Communities Development Authority to borrow the amount of \$930,000. This amount was used to pay the Agency's portion of the 2006 Educational Revenue Augmentation Fund (ERAF) to the County of San Diego pursuant to Section 33681.12 of the California Health and Safety Code.

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REDEVELOPMENT AGENCY

MISSION STATEMENT

The mission of the Redevelopment Agency is to orchestrate the revitalization of declining neighborhoods, to attract new businesses to the area, and provide residents with open space, walkable neighborhoods, and affordable housing.

SUMMARY OF DEPARTMENT RESOURCES

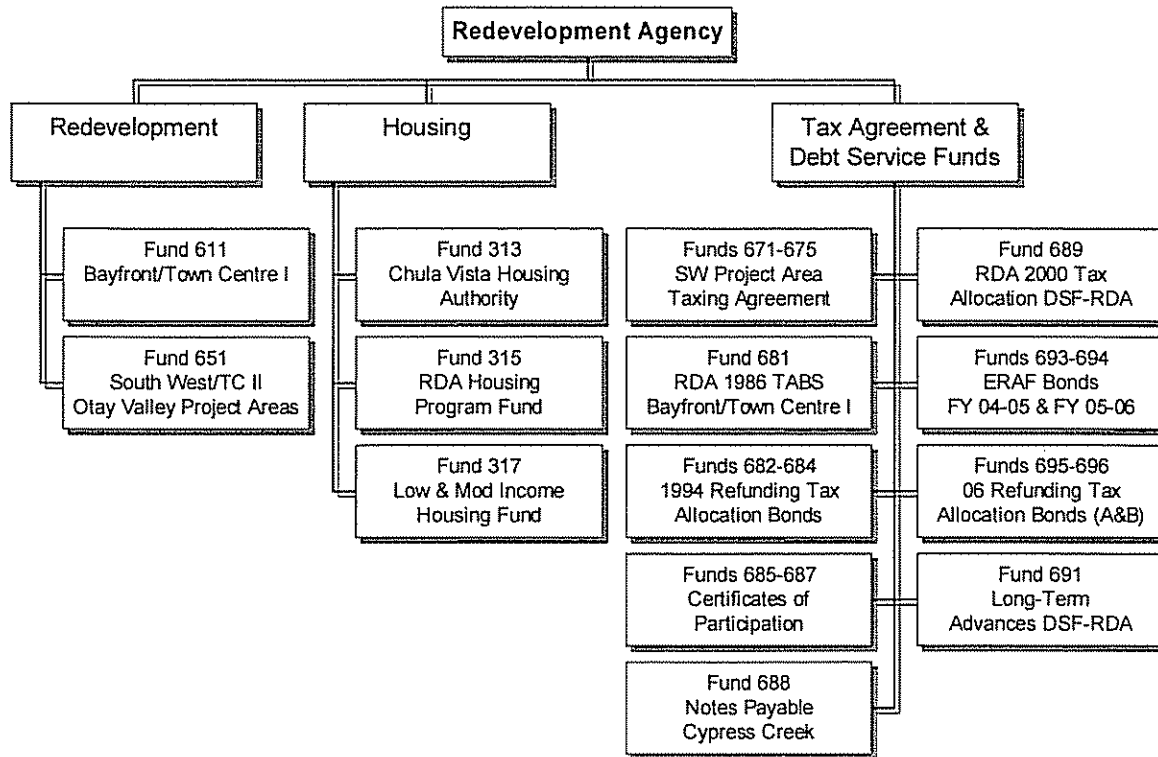
	2004-05 ACTUAL	2005-06 ACTUAL	2006-07 AMENDED	2007-08 PROPOSED
Personnel	\$ -	\$ 244	\$ 312,539	\$ 1,446,213
Supplies & Services	\$ 573,908	\$ 727,056	\$ 931,588	\$ 772,594
Other Expenses	\$ 13,011,106	\$ 18,133,663	\$ 43,589,776	\$ 12,154,017
Capital	\$ 170,569	\$ 481,041	\$ 309,000	\$ 206,000
Utilities	\$ 4,755	\$ 7,083	\$ 3,600	\$ 1,413
Transfers Out	\$ 4,792,272	\$ 2,648,943	\$ 25,724,373	\$ 2,832,875
CIP Project Expenditures	\$ 648,443	\$ 904,519	\$ -	\$ 2,000,000
Expenditure Totals	\$ 19,201,053	\$ 22,902,550	\$ 70,870,877	\$ 19,413,112
Revenue Totals	\$ 16,172,632	\$ 14,068,843	\$ 59,574,861	\$ 18,499,892
Full Time Positions	0.00	0.00	1.00	11.00

Note: Prior to fiscal year 2007-08, Redevelopment and Housing staff were included as part of the Community Development Department budget.

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REDEVELOPMENT AGENCY

ORGANIZATIONAL CHART



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STRATEGIC GOALS

IMPROVING QUALITY OF LIFE

- ▣ By 2010, create 100 new affordable units, an 8% increase over the existing supply.

Status: One project in the southwest, consisting of 42 affordable units is scheduled to go for entitlements by the end of fiscal year 2006-07. Construction would begin in fiscal year 2007-08. Another project is awaiting funding notification from the State. This affordable project will consist of 92 units and is located in Otay Ranch.

By the end of fiscal year 2006-07, all affordable homebuyer units at Mar Brisa will be sold. This project provided 70 units for low-income buyers and 45 units for moderate-income buyers.

The Planning Commission approved a condominium conversion in fiscal year 2006-07 and is expected to go to City Council in early fiscal year 2007-08. The project will consist of 41 units for moderate-income buyers.

By the end of fiscal year 2006-07, a contractor will be selected to operate the City's Down payment Assistance Program. The program will provide proactive home loan counseling and down payment assistance for low-income buyers.

- ▣ Ensure a policy framework that addresses the revitalization of western Chula Vista and assists in the creation of housing opportunities for very low, low, and moderate-income families.

Status: The Housing Element was approved by the City Council and State of California in fiscal year 2006-07.

The first policy work underway is the Mobile Home Closure Ordinance. Public meetings and staff work should conclude in the summer of 2007. The ordinance should be heard by decision-making bodies shortly thereafter.

STRATEGIC GOALS – CONT –

REVITALIZE WESTERN CHULA VISTA

- ▣ By fiscal year 2008-09, enter into five development agreements for the construction of new housing and retail space on property located along the Third Avenue corridor and the E Street Trolley Station adding 100 new units and 100,000 square footage of additional commercial and industrial space.

Status: *With the adoption of the Urban Core Specific Plan (UCSP) on April 26, 2007, several Exclusive Negotiating Agreements (ENA's) were concurrently extended. Several ENA's have also entered, or will soon entering, the design phase and Redevelopment Advisory Committee process. If the UCSP development permit (design review) process is completed in 2007 the fiscal year 2007-08 goal of 100 new units may be achieved.*

REDEVELOPMENT AGENCY

LINE OF BUSINESS: REDEVELOPMENT

The purpose of the Redevelopment line of business is to provide leadership and support to the City's Redevelopment Agency in revitalizing adopted redevelopment project areas, with a special focus on reversing deteriorating economic and physical conditions; redeveloping blighted, underutilized, and vacant properties; improving infrastructure and public facilities; and producing revenues through the development of job generating properties.

CORE SERVICES

- Eliminate blight
- Acquire real property
- Create affordable housing
- Attract new jobs & business
- Stimulate private reinvestment
- Transform hazardous waste sites (brownfields) into productive uses
- Rehabilitate homes & businesses
- Build or improve roads, utilities, & public facilities
- Revitalize waterfronts
- New legislation/policy review
- Specific plans
- Preserve open spaces

RESOURCE SUMMARY

	2004-05 ACTUAL	2005-06 ACTUAL	2006-07 AMENDED	2007-08 PROPOSED
Personnel	\$ -	\$ 244	\$ 312,539	\$ 792,609
Supplies & Services	\$ 464,367	\$ 559,830	\$ 699,061	\$ 493,987
Other Expenses	\$ 6,511,432	\$ 11,365,396	\$ 9,114,669	\$ 5,171,579
Capital	\$ -	\$ -	\$ -	\$ -
Utilities	\$ 4,692	\$ 5,495	\$ 3,600	\$ 1,413
Transfers Out	\$ 2,894,371	\$ 1,109,287	\$ 4,549,832	\$ 1,946,767
CIP Project Expenditures	\$ 648,443	\$ 904,519	\$ -	\$ 2,000,000
Expenditure Totals	\$ 10,523,305	\$ 13,944,771	\$ 14,679,701	\$ 10,406,355

MAJOR ACCOMPLISHMENTS

- Creation of the Redevelopment Advisory Committee
- Amendment of the Town Center I Redevelopment Plan
- Completed Education Reimbursement Augmentation Fund Project Area Extensions
- Funded the completion of the Urban Core Specific Area Plan
- Entitlement of the Creekside Vista 167 unit condominium project
- Completion of 180,000 square feet of new industrial space

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REDEVELOPMENT AGENCY

- Submitted application for EPA Brownfield Assessment Grant
- Entered into a Letter of Intent with Gaylord Enterprises for a resort conference center on the Bayfront
- Completion of Parking Management Study
- Completed Gateway Phase II – creating more than 100,000 square feet of new commercial office space

KEY PERFORMANCE MEASURES

PERFORMANCE MEASURE DESCRIPTION	2006-07 ESTIMATED	2007-08 PROJECTED
<i>Number of new housing units in Redevelopment Project Areas</i>	30	100
<i>Additional commercial square footage</i>	30,000	100,000
<i>Additional industrial square footage</i>	180,000	100,000
<i>Number of development agreements for Third Avenue and E Street Trolley</i>	0	3
<i>Public outreach and education meetings</i>	60	45

REDEVELOPMENT AGENCY

LINE OF BUSINESS: HOUSING

The purpose of the Housing line of business is to implement affordable housing programs pursuant to the City's General Plan and Housing Element while also managing the CDBG and HOME programs.

CORE SERVICES

- | | |
|-----------------------------------|--|
| • Affordable housing projects | • Grant Administration |
| • Inclusionary housing compliance | • Community outreach (bilingual) |
| • Long-range planning for Housing | • Reporting |
| • New legislation/policy review | • Financial Reconciliation |
| • Mobilehome rent review | • Contract administration & monitoring |
| • Down payment program | • Funding compliance |
| • Home rehabilitation program | |

RESOURCE SUMMARY

	2004-05 ACTUAL	2005-06 ACTUAL	2006-07 AMENDED	2007-08 PROPOSED
Personnel	\$ -	\$ -	\$ -	\$ 653,604
Supplies & Services	\$ 93,451	\$ 149,445	\$ 214,277	\$ 264,607
Other Expenses	\$ 440,292	\$ 444,305	\$ 1,376,791	\$ 1,071,529
Capital	\$ 170,569	\$ 481,041	\$ 309,000	\$ 206,000
Utilities	\$ 63	\$ 1,589	\$ -	\$ -
Transfers Out	\$ 4,509	\$ 150,404	\$ 3,022	\$ 1,733
CIP Project Expenditures	\$ -	\$ -	\$ -	\$ -
Expenditure Totals	\$ 708,884	\$ 1,226,784	\$ 1,903,090	\$ 2,197,473

MAJOR ACCOMPLISHMENTS

- Housing Element approved by City Council and State of California
- Section 108 loan of \$9.5m approved by U.S. Dept. of Housing & Urban Development
- Article 34 ballot measure approved by voters
- Energy-efficient affordable housing (42 units) project approved

REDEVELOPMENT AGENCY

KEY PERFORMANCE MEASURES

PERFORMANCE MEASURE DESCRIPTION	2006-07 ESTIMATED	2007-08 PROJECTED
<i>Increase in supply of new affordable housing units</i>	-	42

REDEVELOPMENT AGENCY

LINE OF BUSINESS: TAX AGREEMENT & DEBT SERVICE FUNDS

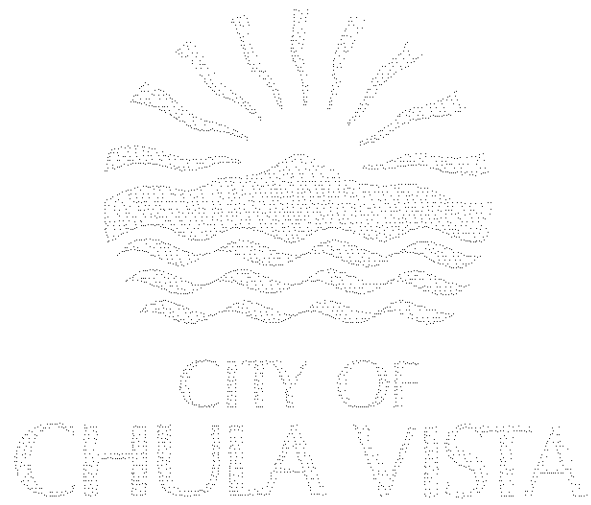
The purpose of the Tax Agreement and Debt Service Fund line of business is to account for debt related to the Redevelopment Agency used to finance a wide variety of projects; property tax increment revenues fund the tax allocation bonds.

RESOURCE SUMMARY

	2004-05 ACTUAL	2005-06 ACTUAL	2006-07 AMENDED	2007-08 PROPOSED
Supplies & Services	\$ 16,091	\$ 17,781	\$ 18,250	\$ 14,000
Other Expenses	\$ 6,059,381	\$ 6,323,959	\$ 33,098,316	\$ 5,910,909
Transfers Out	\$ 1,893,392	\$ 1,389,252	\$ 21,171,519	\$ 884,375
Expenditure Totals	\$ 7,968,863	\$ 7,730,992	\$ 54,288,086	\$ 6,809,284

MAJOR ACCOMPLISHMENTS

- Refunded 1994 Senior Tax Allocation Refunding Bonds, Series A, C, and D saving the Agency approximately \$550,000 annually or approximately \$4.8 million over the remaining 20 years of the bonds



CVRC RESOLUTION NO. 2007-

RESOLUTION OF THE CHULA VISTA REDEVELOPMENT CORPORATION MAKING RECOMMENDATION TO THE CHULA VISTA REDEVELOPMENT AGENCY TO ADOPT THE PROPOSED OPERATING AND CAPITAL IMPROVEMENT BUDGET FOR THE REDEVELOPMENT AGENCY AND HOUSING AUTHORITY FOR FISCAL YEAR 2007-08

WHEREAS, the Chula Vista Redevelopment Corporation (CVRC) of the City of Chula Vista has received and considered the Chief Executive Officer's proposed Redevelopment Agency budget for fiscal year 2007-08; and

WHEREAS, a stated specific purpose of the CVRC is the development of recommendations regarding the strategic priorities to be programmed by the Redevelopment Agency of the City of Chula Vista through its annual budget; and

WHEREAS, on May 24, 2007, the Chula Vista Redevelopment Agency ("Agency") conducted a public hearing and accepted the 2007 Midterm Review of the Agency's adopted Five Year Implementation Plan for the 2005-2009 planning period; and

WHEREAS, the May 24, 2007 Midterm Review included an Annual Work Plan for the Agency's 2007-08 Fiscal Year that contained proposed projects involving specific planning and civic engagement activities in the Southwest section of the City, including: (1) Facilitate the financing and preparation of a Specific Plan for the Southwest to provide for appropriate land uses and development standards to facilitate the development and redevelopment of properties within the area; and (2) Begin and fund an exploratory dialogue with community stakeholders in the Southwest about the principles and models presented in the "Community Strengthening Strategies" white paper, and the possible application of those principles in Southwest Chula Vista; and

WHEREAS, the proposed annual budget submitted by the Chief Executive Officer has been prepared to provide the necessary funding to accomplish the approved work plan; and

WHEREAS, housing fund expenditures for planning and administration are necessary for the production, improvement or preservation of affordable housing.

NOW, THEREFORE, BE IT RESOLVED that the Chula Vista Redevelopment Corporation does hereby recommend that the Chula Vista Redevelopment Agency adopt the proposed operating and capital improvement budget for the Redevelopment Agency and Housing Authority for Fiscal Year 2007-08.

Presented by:

Approved as to form by

Ann Hix
Secretary
Chula Vista Redevelopment
Corporation

Chela A. Cusato
Ann Moore
General Counsel
Chula Vista Redevelopment
Corporation

CVRC RESOLUTION NO. 2007-

RESOLUTION OF THE CHULA VISTA REDEVELOPMENT CORPORATION MAKING A RECOMMENDATION TO THE CHULA VISTA REDEVELOPMENT AGENCY TO CREATE A NEW CAPITAL IMPROVEMENT PROJECT IN THE MERGED PROJECT FUND CALLED "SOUTHWEST PLANNING AND CIVIC ENGAGEMENT ACTIVITIES" AND APPROPRIATE \$312,000 FROM THE AVAILABLE FUND BALANCE OF THE FY 2006-07 MERGED PROJECT FUND.

WHEREAS, on May 24, 2007, the Chula Vista Redevelopment Agency ("Agency") conducted a public hearing and accepted the 2007 Midterm Review of the Agency's adopted Five Year Implementation Plan for the 2005-2009 planning period; and

WHEREAS, the May 24, 2007 Midterm Review included an Annual Work Plan for the Agency's 2007-08 Fiscal Year that contained proposed projects involving specific planning and civic engagement activities in the Southwest section of the City, including: (1) Facilitate the financing and preparation of a Specific Plan for the Southwest to provide for appropriate land uses and development standards to facilitate the development and redevelopment of properties within the area; and (2) Begin and fund an exploratory dialogue with community stakeholders in the Southwest about the principles and models presented in the "Community Strengthening Strategies" white paper, and the possible application of those principles in Southwest Chula Vista; and

WHEREAS, the creation of a Capital Improvement Project ("CIP") in the Agency's Merged Project Fund from the available fund balance would support the implementation of the Agency's Fiscal Year 2007-08 Work Plan for "Southwest Planning and Civic Engagement Activities."


NOW, THEREFORE, BE IT RESOLVED that the Chula Vista Redevelopment Corporation does hereby recommend that the Chula Vista Redevelopment Agency create a new Capital Improvement Project in the Merged Project Fund called the "Southwest Planning and Civic Engagement Activities" and appropriate \$312,000 from the available fund balance of the FY 2006-07 Merged Project Fund.

Presented by:

Ann Hix
Secretary
Chula Vista Redevelopment
Corporation

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Approved as to form by



Ann Moore
General Counsel
Chula Vista Redevelopment
Corporation

RDA RESOLUTION NO. 2007-

RESOLUTION OF THE CHULA VISTA REDEVELOPMENT AGENCY TO CREATE A NEW CAPITAL IMPROVEMENT PROJECT IN THE MERGED PROJECT FUND CALLED "SOUTHWEST PLANNING AND CIVIC ENGAGEMENT ACTIVITIES" AND APPROPRIATE \$312,000 FROM THE AVAILABLE FUND BALANCE OF THE FY 2006-07 MERGED PROJECT FUND.

WHEREAS, on May 24, 2007, the Chula Vista Redevelopment Agency ("Agency") conducted a public hearing and accepted the 2007 Midterm Review of the Agency's adopted Five Year Implementation Plan for the 2005-2009 planning period; and

WHEREAS, the May 24, 2007 Midterm Review included an Annual Work Plan for the Agency's 2007-08 Fiscal Year that contained proposed projects involving specific planning and civic engagement activities in the Southwest section of the City, including: (1) Facilitate the financing and preparation of a Specific Plan for the Southwest to provide for appropriate land uses and development standards to facilitate the development and redevelopment of properties within the area; and (2) Begin and fund an exploratory dialogue with community stakeholders in the Southwest about the principles and models presented in the "Community Strengthening Strategies" white paper, and the possible application of those principles in Southwest Chula Vista; and


WHEREAS, the creation of a Capital Improvement Project ("CIP") in the Agency's Merged Project Fund from the available fund balance would support the implementation of the Agency's Fiscal Year 2007-08 Work Plan for "Southwest Planning and Civic Engagement Activities."

NOW, THEREFORE, BE IT RESOLVED that the Chula Vista Redevelopment Agency creates a new Capital Improvement Project in the Merged Project Fund called the "Southwest Planning and Civic Engagement Activities" and appropriate \$312,000 from the available fund balance of the FY 2006-07 Merged Project Fund.

Presented by:

Approved as to form by

Ann Hix
Secretary
Chula Vista Redevelopment
Corporation


Ann Moore
General Counsel
Chula Vista Redevelopment
Corporation

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